

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF SOUTH)	CASE NO. 8614
KENTUCKY RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1, 1980,)	
TO OCTOBER 31, 1982)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 28, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

South Kentucky filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

South Kentucky filed a petition on December 10, 1982, requesting to refund \$1,664.32 to correct various filing errors resulting in the overstatement of the fuel adjustment charge. After reviewing South Kentucky's monthly fuel adjustment clause filings together with evidence in this case, the Commission has determined that these filing errors resulted in an overstatement of South Kentucky's recoverable fuel costs of \$1664.32.

Therefore, the Commission is of the opinion that South Kentucky should adjust its next monthly fuel adjustment clause filing by \$1664.32.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of South Kentucky's wholesale supplier, East Kentucky Power Cooperative, Inc. ("East Kentucky"), in Case No. 8588. Approval of East Kentucky's proposal requires that South Kentucky also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by South Kentucky in conjunction with the schedule of over-or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. With the exception of the filing errors discussed herein, South Kentucky has complied in all material respects with the provisions of 807 KAR 5:056.

2. South Kentucky should adjust its next monthly fuel adjustment clause filing by \$1664.32 to correct previous filing errors.

3. South Kentucky's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

4. South Kentucky should be authorized to increase the rates charged its customers by 3.38 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

5. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

6. The monthly fuel adjustment clause filing form currently being filed by South Kentucky should be revised.

IT IS THEREFORE ORDERED that the charges collected by South Kentucky through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that South Kentucky be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by South Kentucky on and after June 1, 1983, which is also the effective date for East Kentucky.

IT IS FURTHER ORDERED that within 30 days from the date of this Order South Kentucky shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by South Kentucky for all filings

made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier, East Kentucky.

IT IS FURTHER ORDERED that South Kentucky shall adjust its next monthly FAC filing by \$1664.32 using a separate line item as shown in Appendix C.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8614 DATED JUNE 3, 1983

The following rates and charges are prescribed for the customers in the area served by South Kentucky Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE A
RESIDENTIAL, FARM AND NON-FARM SERVICE*

RATES PER MONTH:

Consumer Charge - No KWH Usage . . .	\$5.00
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Energy Charge:

First 700 KWH Per Month @06292
All over 700 KWH per Month05665

SCHEDULE B
SMALL COMMERCIAL RATE*

RATES PER MONTH:

Consumer Charge - No KWH Usage . . .	\$6.00
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Energy Charge:

First 1,000 KWH per Month @	\$.06795
All Over 1,000 KWH per Month @	\$.06288

SCHEDULE LP
LARGE POWER RATE*

RATES PER MONTH:

Consumer Charge - No KWH
Usage . . . \$10.00

Demand Charge:

Billing Demand per KW per Month \$5.66

Plus Energy Charge:

First	3,500 KWH	per Month @	\$.04539
Next	6,500 KWH	per Month @	\$.04384
Next	140,000 KWH	per Month @	\$.04085
Next	150,000 KWH	per Month @	\$.04073
Over	300,000 KWH	per Month @	\$.04064

SCHEDULE OPS
OPTIONAL POWER SERVICE*

RATES PER MONTH:

Consumer Charge - No KWH
Usage . . . \$10.00

Energy Charge

First	3,500 KWH	per Month @	\$.07389
Next	6,500 KWH	per Month @	.07142
Next	140,000 KWH	per Month @	.06666
Next	150,000 KWH	per Month @	.06647
Over	300,000 KWH	per Month @	.06633

SCHEDULE STL
STREET LIGHTING SERVICE*

Rate:

Mercury Vapor Bulbs

Up to and including 175 Watts (74 KWH/Light)	\$4.11
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Excess of 175 Watts up to and including 400 Watts (162 KWH/Light)	6.77
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Sodium Bulbs

Up to and including 150 Watts (63 KWH/Light)	5.22
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Excess of 150 Watts up to and including 360 Watts (135 KWH/ Light)	7.56
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SCHEDULE OL
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

Rates:

175 Watt Mercury Vapor - Metered	\$4.32
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175 Watt Mercury Vapor - unmetered (74 KWH/Light)	5.79
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SCHEDULE TVB
UNMETERED COMMERCIAL SERVICE*

CLASS AND RATES PER MONTH:

Cable TV Amplifiers - (75 KWH per Month) . . .	\$7.31
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*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

POWER SUPPLIER:

Purchased Power -

Month of:

13. Fuel Adjustment Charge (Credit):
 - A. Billed by supplier
 - B. (Over) Under Recovery (L12)
 - C. Unrecoverable - Schedule 2
 - D. Recoverable Fuel Cost
(L13 A+B-C)
14. Number of KWH Purchased
15. Supplier's FAC:
\$ per KWH (L13A + 14)

Line Loss

16. Last 12 Months Actual (Z) -
17. Last Month Used to Compute L16
18. Line Loss for Month on L17 (Z)
(L5 + L1)
- Calculation of FAC Billed Consumers
19. Sales as a Percent of Purchases
(100Z less percentage on L16)
20. Recovery Rate \$ per KWH
(L13D + L14)
21. FAC \$ per KWH (L20 + L19)
22. FAC \$ per KWH (L21 x 100)

Issued on: _____, 19____.

Title:

Telephone:

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	=====	=====	=====	=====

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's (FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

Appendix C
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COMPANY: _____

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

1. Total Purchases _____

2. Sales (Ultimate Consumer)
Company Use _____

4. Total Sales (L2 + L3) _____

5. Line Loss & Unaccounted for
(L1 less L4) _____

(Over) or Under Recovery - Month of: _____

6. Last FAC Rate Billed Consumers _____

7. Gross KWH Billed at the Rate
on L6 _____

8. Adjustments to Billing (KWH)
Net KWH Billed at the Rate on
L6 (L7 + L8) _____

10. Fuel Charge (Credit) Used to
Compute L6 _____

11. FAC Revenue (Refund) Resulting
from L6 (net of billing adj.) _____

12. Total (Over) or Under
Recovery (L10 less L11) _____

Purchased Power - _____

Month of: _____

13. Fuel Adjustment Charge (Credit):
A. Billed by supplier
A-1. FAC Adjustment* _____

B. (Over) Under Recovery (L12)
C. Unrecoverable - Schedule 2
D. Recoverable Fuel Cost
(L13 A+B-C) _____

(\$1,664.32)

14. Number of KWH Purchased _____

15. Supplier's FAC: _____

\$ per KWH (L13A + L14) _____

Line Loss _____

16. Last 12 Months Actual (%) - _____

17. Last Month Used to Compute L16
18. Line Loss for Month on L17 (%)
(L5 + L1) _____

19. Calculation of FAC Billed Consumers
Sales as a Percent of Purchases
(100% less percentage on L16) _____

20. Recovery Rate \$ per KWH
(L13D + L14) _____

21. FAC \$ per KWH (L20 + L19)
22. FAC \$ per KWH (L21 x 100) _____

*Per Commission's Order in Case No. 8614

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____, 19____. Issued on: _____, 19____.

Title: _____

Address: _____ Telephone: _____